

Fairfax County's Performance Measurement System

**Performance
Measurement Team/
Department of
Management & Budget**

June 2006

Objectives

- Discuss why performance measurement is important
- Review performance measurement concepts and terminology
- Review Fairfax County's Performance Measurement System
- Discuss & work through County-specific performance measurement issues

Today's Schedule

- 8:30-10:00 PM and the Budget and Strategic Planning; Methodology and Terminology
- 10:00-10:15 Break
- 10:15-11:30 Discussion and Exercises

Why Measure Performance?

- To continuously improve services
- To strengthen accountability
- To communicate results of programs and services
- To provide better information for effective decision-making including resource allocation

Definition

Performance measurement is the regular systematic collection, analysis and reporting of data that tracks resources used, work produced and whether specific outcomes were achieved.

Performance Measurement and the Budget





Timeframe

- **July - August 2006:** Agency staff update performance measures for FY 2008 budget
- **Aug-Sept 2006:** Performance measures due to DMB with agency budgets
- **October-December 2006:** DMB reviews and analyzes agencies' submissions AND County Executive holds meetings with agency directors about their performance measurement results
- **December 2006-January 2007:** County Executive reviews FY 2008 budget and performance measures
- **February 2007:** FY 2008 Advertised Budget Plan released

Agency Duties

- Address performance measures for the FY 2008 Advertised Budget Plan by providing FY 2006 actuals as well as FY 2007 and FY 2008 estimates
- Enter data in PM Database
- Provide Efficiency Calculation Spreadsheet for cost per unit data
- Write Performance Measurement Results section following each PM table

Relationship to Strategic Planning

- The County Executive directed all agencies to have strategic plans by September 2003
- Agencies were told to link their strategic plans to the County Core Purpose and Vision Elements (pages 10-11 in manual)
- Agencies were also told to have key performance measures linked to their strategic plans as well as a system for monitoring them

Strategic Planning and PM

- Strategic planning is a process of looking toward the future, typically a 2-5 year horizon, identifying why an organization exists (MISSION), what it will look like if it achieves its mission (VISION) and the concrete steps it will take to achieve that (GOALS and OBJECTIVES).
- Data that tell if you are achieving results on your strategic plan are PERFORMANCE MEASURES.

Strategic Planning/Performance Measurement Hierarchy



Strategic Planning and PM

If we have performance measurement without strategic planning, we know how fast we are going, but we do not know whether we are going in the right direction.

If we have strategic planning without performance measurement, we know we are going in the right direction, but we do not know whether we are getting there.



Linking Measures to Strategic Planning

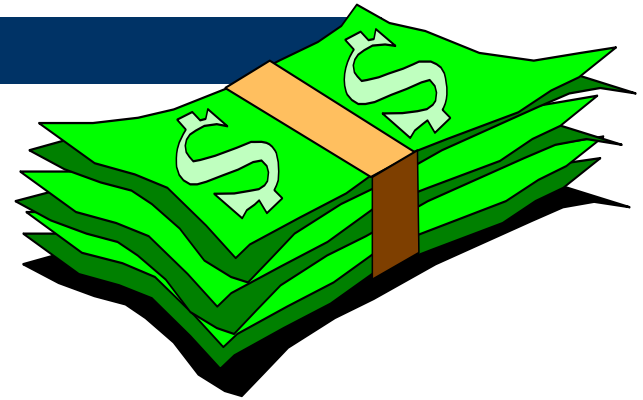
- Performance measures help translate an organization's mission, vision and strategy into tangible objectives.
- Sometimes it helps to ask yourself what is the WORST thing that would happen in your service didn't exist?
- Measure how well you're achieving your mission (not specific strategies)

Performance Measurement Concepts and Terminology



Performance Indicators

- Input
- Output
- Efficiency
- Service Quality
- Outcome
- Explanatory Data



Performance Indicators Should:

- Be quantifiable and measurable
- Be relevant, understandable, timely, consistent, comparable and reliable
- Constitute a Family of Measures
 - input
 - output
 - efficiency
 - service quality
 - outcome

Types of Performance Indicators

- **Input Indicators**

- resources used to produce an output
- examples
 - costs (direct costs plus fringe benefits)
 - labor hours

- **Output Indicators**

- quantity of units produced
- typically under managerial control
- examples
 - miles of pipe visually inspected
 - clients served

Types of Indicators continued

- **Efficiency Indicators**

- ratio of inputs used per unit of output (or outputs per input)
- examples
 - **Cost per unit:** cost per ton of refuse collected, cost per prisoner boarded, cost per transaction, etc.
 - **Productivity:** hours per consumer complaint, plans reviewed per reviewer, etc.

Types of Indicators continued

- **Service Quality Indicators**

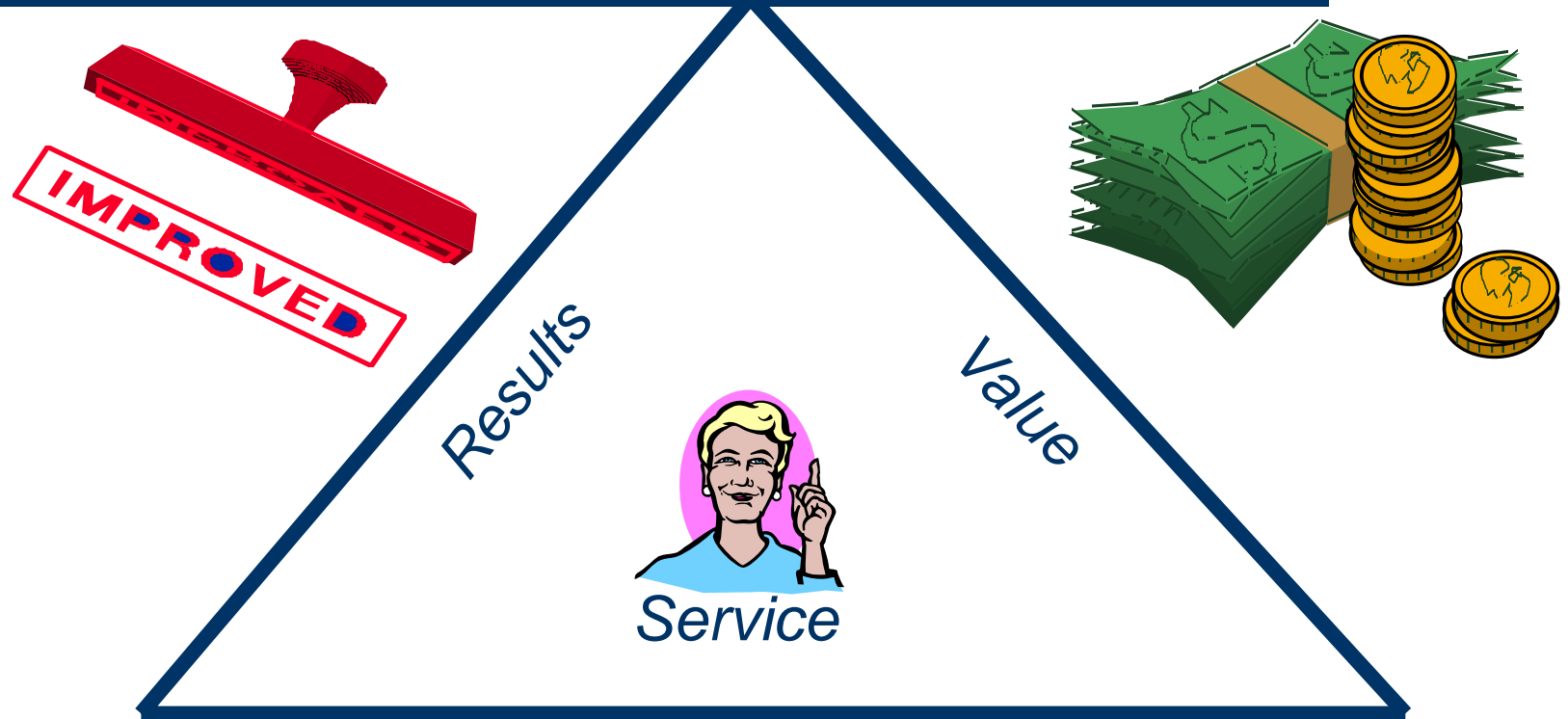
- how satisfied customers are
- how accurately a service is provided
- how timely a service is provided
- examples
 - percentage of respondents satisfied with service
 - frequency of repeat repairs
 - average wait time

Types of Indicators continued

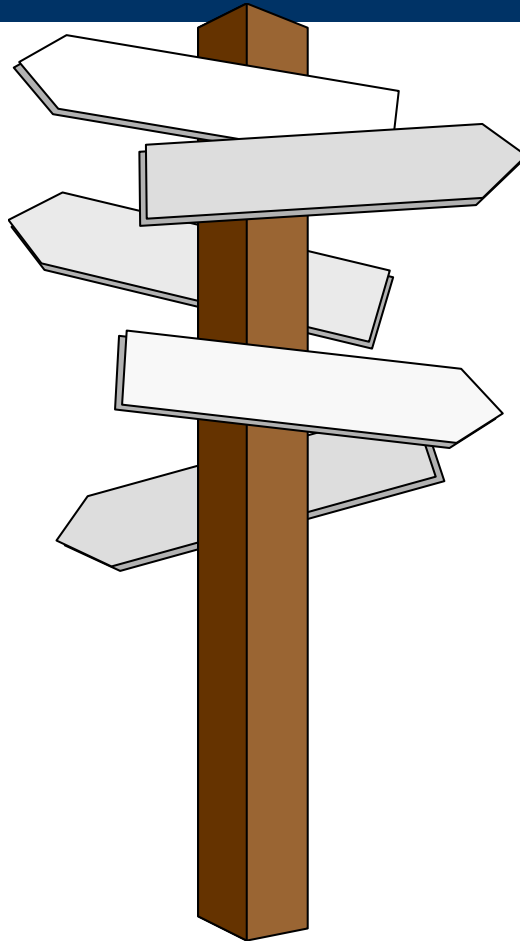
- **Outcome Indicators**

- are qualitative consequences associated with a program/service
- focus on the ultimate why of providing the service
- examples include:
 - reduction in fire deaths/injuries
 - increase in job trainees who hold a job for more than six months
 - decrease in low birth-weight babies

The Balance – High Performance Organization



Fairfax County Methodology





The Focus

- Cost center goals
- Service areas
- Service area objectives
- Performance indicators

Four-Step Methodology

- **Step 1:** Review and evaluate existing agency mission and cost center goals
- **Step 2:** Identify service areas
- **Step 3:** Define service area objectives
- **Step 4:** Identify indicators that measure progress toward objectives



Step 1: Review and Evaluate Existing Agency Mission and Cost Center Goals

Step 1 (cont'd)

Cost Center Goal Statement

- States what is to be accomplished (**outcome**)
- States what is to be provided/produced (**output**)
- States why cost center exists
- Identifies customers
- Transcends several years
- Begins with “To and a verb”

Step 1 (cont'd)

Cost Center Goal Template

To provide/produce (service or product)

to (customer)

in order to (statement of accomplishment).

Step 1 (cont'd)

Cost Center Goal Example

Maternal and Child Health Services

To provide maternity, infant and child health care and/or case management to at-risk women, infants and children in order to achieve optimum health and well-being.



Step 2: Identify Service Areas

Step 2 (cont'd)

Identifying a Service Area

- Identify your major activities
- Do not identify every activity; focus on major activities
 - critical to success of agency's mission
 - consume significant portion of cost center budget
 - politically sensitive or frequently in spotlight
 - significant customer service focus
- Group activities that have common objectives and/or customers



Step 3: Define Service Area Objectives

Step 3 (cont'd)

Service Area Objectives

- Support cost center goal
- Reflect planned benefit(s) to customers
- Allow measurement of progress
- Quantify portion of the cost center goal that will be accomplished within the fiscal year
- Describe quantifiable future target (optional)

Step 3 (cont'd): Objective Statement Template

**To improve/reduce/maintain
(accomplishment)**



by (a number or percent), (from X to Y)

toward a target of (a number).

Step 3 (cont'd): Service Area Objective Example

Maternal and Child Health Services

To improve the immunization completion rate of children served by the Health Department by 3 percentage points, from 77 percent to 80 percent, toward a target of 90 percent, which is the Healthy People Year 2010 goal.



Step 4: Identify Indicators that Measure Progress toward Objectives

Step 4 (cont'd): Indicator Definitions & Examples

Category	Definition	Example
Input	Resources used to produce an output.	Cost (direct costs plus fringe benefits) Staff hours
Output	Quantity or number of units produced. Activity-oriented, measurable and usually within managerial control.	Residential properties assessed Clients served Calls responded to
Efficiency	Inputs per unit of output or Outputs per input.	Cost per appraisal Appraisals per appraiser
Service Quality	Timeliness, accuracy and/or customer satisfaction of the service provided.	Errors per data entry operator Response time Percentage of customers satisfied
Outcome	Qualitative consequences associated with a program/service. Focuses on the ultimate “why” of providing a service.	Job trainees who hold a job for more than six months

Step 4 (cont'd)

Input Indicators

- Resources used to produce an output
 - cost (budgeted or actual)
 - staff-year equivalents (SYE)
 - full-time equivalents (FTE)
 - direct labor hours (DLH)

Step 4 (cont'd)

Cost as an Input Indicator

- Direct costs plus fringe benefits
- Direct costs are those devoted to a particular service area within a cost center and include:
 - personnel services
 - operating expenses
 - recovered costs
 - capital equipment
- Fringe benefit factors - See page 25 of Manual

Step 4 (cont'd)

Output Indicators

- What was produced/provided
- Usually end in “ed”
- Questions to ask
 - what services were delivered?
 - what volume was provided?
 - how many units of service?

Step 4 (cont'd)

Output Indicators

Service Area	Indicator
Delinquent Tax Collection	Delinquent taxes collected (\$)
Probate Processing	Fiduciary appointments conducted
Juvenile Community-Based Residential Services (CBRS)	CBRS child care days provided
Fire Suppression	Incidents responded to
Senior-Based Services	Clients served
Library Circulation Materials	New materials circulated
Human Resources	Vacancies filled
Custodial Services	Square footage cleaned

Step 4 (cont'd)

Efficiency Indicators

- Inputs used per unit of output
 - **cost per unit** where the input is \$
 - **productivity** where the input is hours/staff
- Examples
 - cost per senior lunch served
 - cost per client
 - investigations conducted per investigator
 - hours per occupancy inspection

Step 4 (cont'd)

Efficiency Indicators

Service Area	Indicator
Delinquent Tax Collection	Cost per delinquent dollar collected
Probate Processing	Cost per fiduciary appointment
Juvenile Community-Based Residential Services (CBRS)	CBRS cost per placement
Fire Suppression	Cost per incident
Senior-Based Services	Cost per client
Library Circulation Materials	Cost per new material circulated
Human Resources	Cost per vacancy filled
Custodial Services	Cost per square foot cleaned

Step 4 (cont'd)

Service Quality Indicators

- Measures customer satisfaction, timeliness and/or accuracy of a service
- Examples
 - customer surveys
 - response logs
 - error rates

Step 4 (cont'd)

Service Quality Indicators

Service Area	Indicator
Delinquent Tax Collection	Percent of bills deliverable
Probate Processing	Average waiting time (in weeks)
Juvenile Community-Based Residential Services (CBRS)	Percent of parents satisfied with CBRS
Fire Suppression	Average suppression response time
Senior-Based Services	Percent of clients satisfied with services provided
Library Circulation Materials	Browsing fill rate
Human Resources	Satisfaction rate with vacancy processing
Custodial Services	Percent of customers satisfied with custodial services

Step 4 (cont'd)

Customer Satisfaction

- Need not always be “statistically valid” BUT...
- Ways to measure customer satisfaction
 - response cards
 - websites
 - interactive kiosks
 - point-of-service questionnaires
 - telephone surveys
 - written surveys

Step 4 (cont'd)

Outcome Indicators

- Describe the impact or benefit of the service on the customer
- Describe what was changed or accomplished as a **result** of the service
- Questions to ask
 - how has the customer benefited?
 - why is the customer better off?
 - what is the impact of the service?

Step 4 (cont'd)

Outcome Indicators

Service Area	Indicator
Delinquent Tax Collection	Percent of delinquent taxes collected
Probate Processing	Percent reduction in waiting time
Juvenile Community-Based Residential Services (CBRS)	Percent of CBRS-discharged youth with no new convictions for one year
Fire Suppression	Fire deaths per 100,000 population Fire injuries per 100,000 population
Senior-Based Services	Percent of clients who remain in the community after one year of service or information
Library Circulation Materials	Percent of collection checked out an average of 9 times during the first year of ownership
Human Resources	Average recruitment time
Custodial Services	Percentile comparisons of cost per square foot to IFMA standards

Goal, Outcome, Objective and Indicators

Cost Center Goal	Outcome Indicator
To provide maternity, infant and child health care and/or case management to at-risk women, infants and children in order to achieve optimum health and well-being.	Immunization Completion Rate for Children Using Health Department Services

Service Area	Service Area Objectives	Input Indicator	Output Indicator	Efficiency Indicator	Service Quality Indicator	Outcome Indicator
Immunization	To improve the immunization completion rate of children served by the HD by 3 percentage points from 77% to 80%, toward a target of 90%, which is the Healthy People 2010 goal.	Budget and actual costs	Vaccines given	Cost per vaccine	Percent of parents satisfied with service	Percent with age-appropriate immunization

Another Approach – The Logic Model

- “Begin with the end in mind”
- Start by asking:
 - What results are we seeking?
 - What are we hoping to accomplish?
 - How will we accomplish it?

What is a Logic Model?

- A picture of a program
- A way to show the relationship between what we put in (inputs), what we do (outputs) and what results occur (outcomes)
- Sequence of if/then relationships
- Core of program planning and evaluation

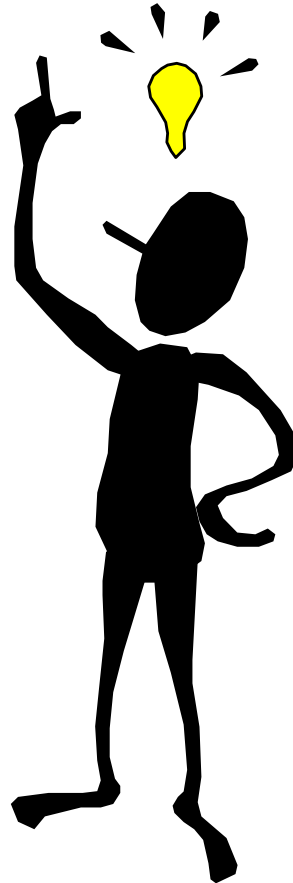
Logic Model

Inputs	Outputs	Outcomes		
What we invest	What we do (Strategies)	Short-term	Medium-term	Long-term
Staff Dollars Volunteers Materials Equipment Technology	Workshops Outreach Inspections	Awareness Knowledge Attitudes Skills	Behavior Decisions Policies	Conditions: Environment Social Economic Civic

Logic Model – Fire Suppression

Inputs	Outputs	Outcomes		
What we invest	What we do (Strategies)	Short-term	Medium-term	Long-term
Staff Dollars Volunteers Materials Equipment Technology	Training Inspections Emergency response	Inspections Suppression responses Public education	Response time Fire containment Prevalence of smoke detectors	Protection of lives and property (fire deaths/ Injuries, fire loss, etc.

A Few More Brief Examples



Example - Goal and Service Areas: Protective Services

- Cost Center: Protective Services
- Cost Center Goal:
 - To protect children and elderly and disabled adults from maltreatment and exploitation.
- Service Areas
 - division based on customers and/or objectives
 - not simply a division of process activities

Example - Service Areas: Protective Services

Acceptable

Child Protective Services

Adult Protective Services

*To reduce the incidence of
abuse by x percent...*

Not Acceptable

Complaint Processing
Investigations

*To increase the number of
complaints handled ...*

Example - Service Area Objectives: Teen Pregnancy Prevention

Acceptable

Reduce the teen pregnancy rate by 2 pregnancies per 1,000 population from 42 to 40 in localities with comprehensive teen services.

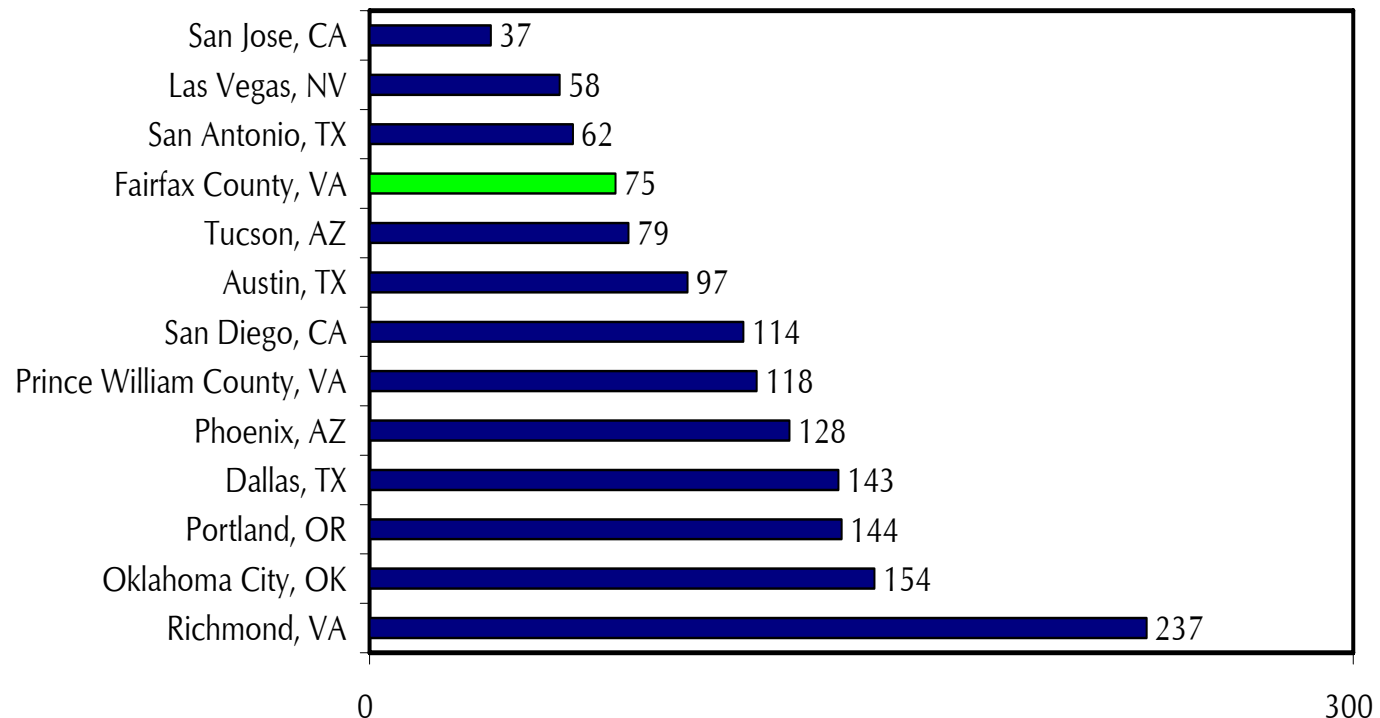
Unacceptable

Increase the number of localities with comprehensive teen services from 20 to 27.

50,000 teens will attend Teen Pregnancy Prevention Education Seminars.

Benchmarking

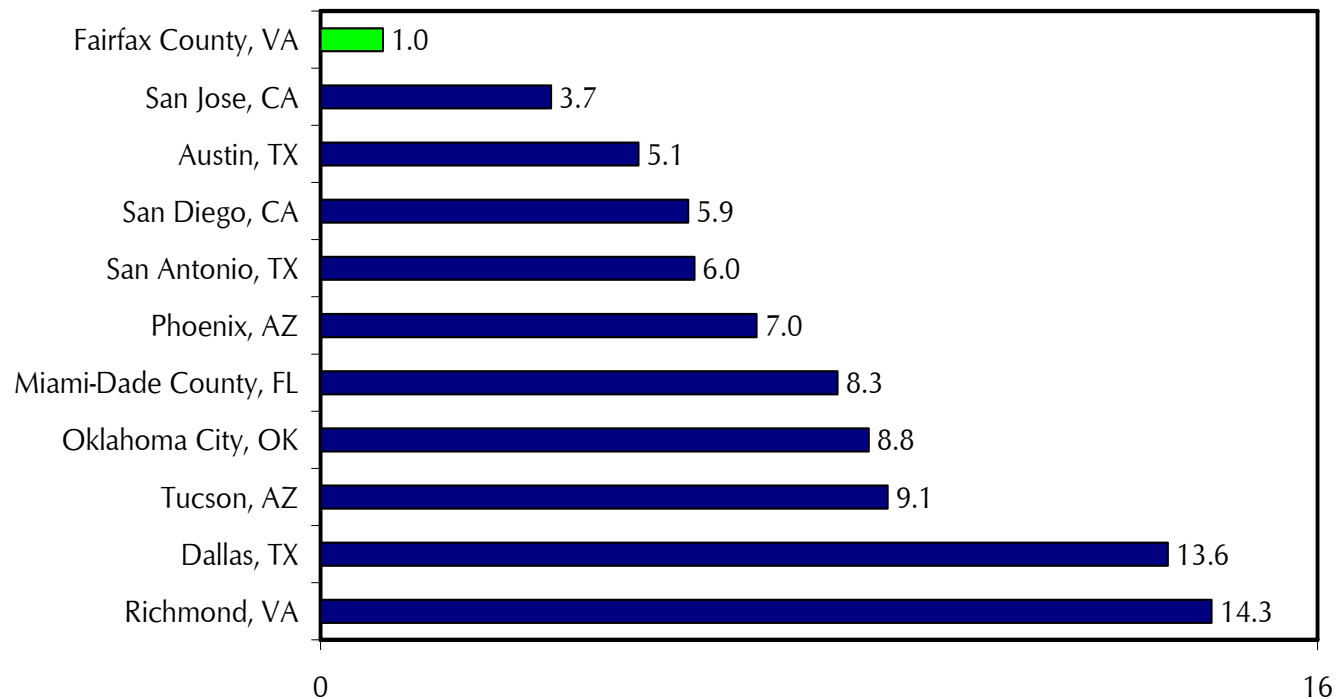
FIRE AND RESCUE: Total Structure Fire Incidents Per 100,000 Population



Source: ICMA FY 2004 Data

Benchmarking

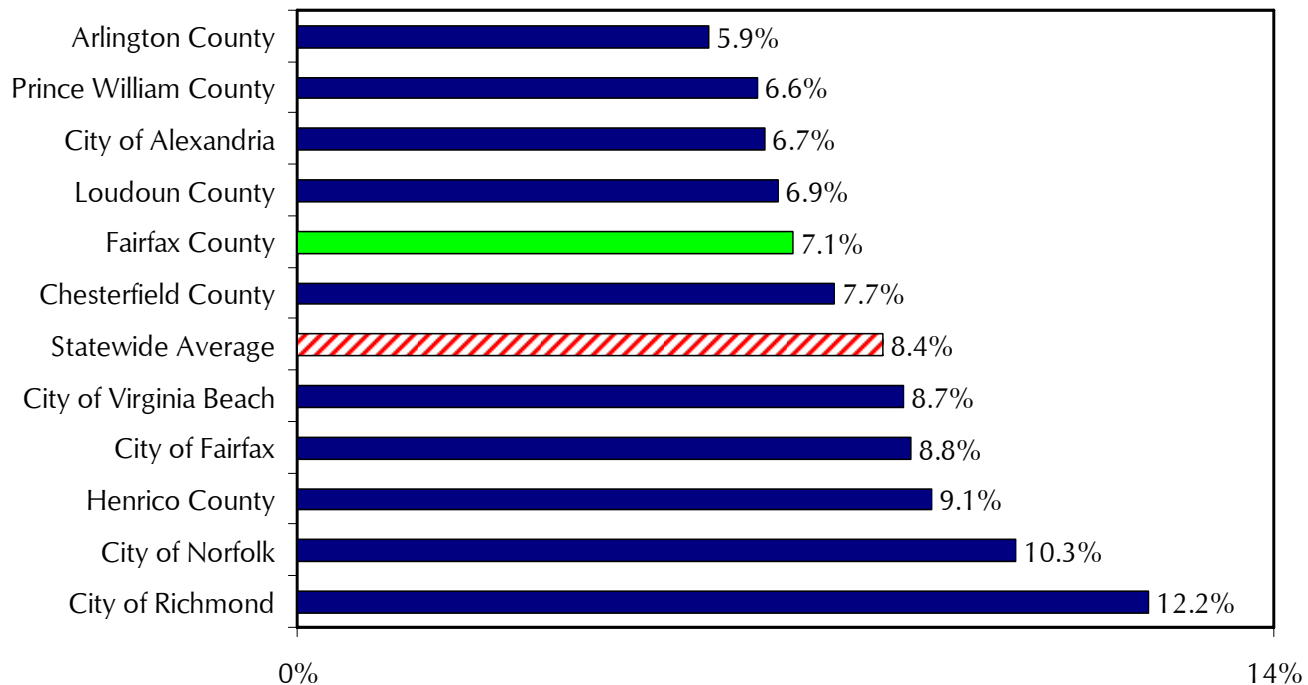
POLICE: UCR Part I Violent Crimes Reported Per 1,000 Population



Source: ICMA FY 2004 Data

Benchmarking

HEALTH AND WELFARE: Percent of Low Birthweight Babies

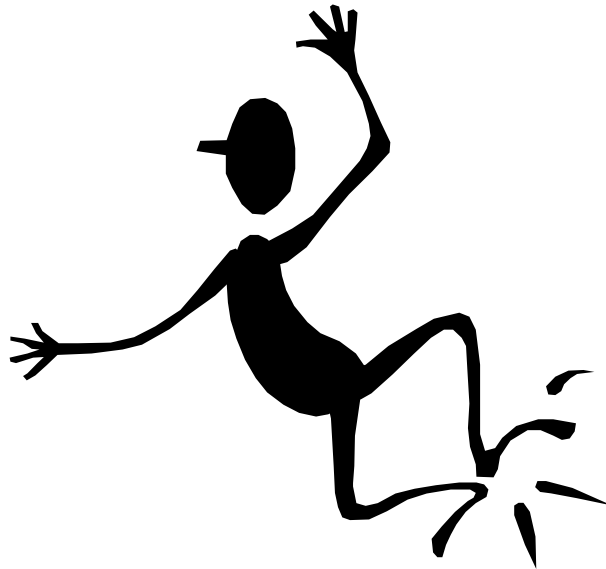


Source: Virginia Department of Health 2004 Health Statistics

Setting Targets – Stretch but Realistic

- Benchmarking
- National standards
- Mandates
- Board direction
- Past performance
- Internal goals

Helpful Hints



Be Sure To:

- Quantify objectives
- Associate objectives with an outcome
- Word outcomes the same as objectives
- Provide a complete Family of Measures
- Avoid confusing indicators (e.g., efficiency and service quality)
- Reference the correct baseline to target year for objectives
- Define service areas by program objective/customers rather than process function

Performance Measurement Resources

- *Measures Up* manual
- Staff
 - Agency's DMB analyst
 - PM Team (listed in manual)
- Performance Measurement Library in DMB
- County Intranet <http://infoweb/DMB>
- Newsletter, *PM Matters*
- Brownbag lunches

Exercise:

- Scenarios to be distributed
- Work through 4-step methodology for service area you have been given
- Be prepared to discuss your measures